GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:5584
ANSWERED ON:16.05.2007
INVESTMENT BY VODAFONE IN TELECOM SECTOR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has deferred its decision regarding the approval of British Telecom Company, Vodafone acquiring a 74% stake in India`s leading cellular phone service provider Hutchison Essar Limited;

(b) if so, the reasons for the same;

(c) whether the Government has sought details on Hutch deal;

(d) if so, the details thereof;

(e) the action taken by the Government in this regard;

(f) the total amount of investment proposed to be made in the British Telecom Company, Vodafone in the telecom service provider sector in India; and

(g) the details of investment made in the said sector by other foreign telecom service provider companies, company-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) to (e) Application of Vodafone International Holdings B.V. Netherlands, seeking approval of the Government for acquisition of an effective shareholding of 51.96% in Hutchison Essar Limited has been approved.

(f) The proposal does not involve any inward inflow of FDI as the acquisition is by a Non-resident entity from another Non-resident entity.

(g) Total amount of major FDI inflow in Telecom Sector from August, 1991 to January, 2007 is Rs. 11817.78 crore. A detailed list is given in the Annexure.